

BMMP Business Management Modernization Program

Business Management Modernization Program (BMMP) Overview

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DoD-DFAS FY2004 Year-End
Conference

**Arming the Warfighter
Through Business Improvement**

www.dod.mil/comptroller/bmmp





Program Authority

- ▶ In July 2001, Secretary of Defense (SECDEF) established the department-wide **Financial Management Modernization Program (FMMP)** under the sponsorship of Under Secretary of Defense (Comptroller). The **transformation of the Department's financial management operations includes not only finance and accounting but also all business activities.**
- ▶ In May 2003, the program was renamed to the **Business Management Modernization Program (BMMP)** under the joint sponsorship of the Under Secretary of Defense (Comptroller) and the Assistant Secretary of Defense (Networks and Information Integration).
- ▶ In September 2003, the Secretary of Defense reconfirmed this commitment by designating DoD business transformation as one of his top ten priorities.
- ▶ To comply with ITMRA of 1996 and OMB Circular A-130



Scope

How big is BMMP? It impacts:

- ▶ **5.5M employees, service members and beneficiaries**
 - Paychecks and W-2's
 - Personnel records and actions
 - Medical and Dental records, appointments, admissions and discharges
 - Training records, plans, and scheduling classes
 - Travel requests, tickets, vouchers
- ▶ **\$400B+ /Year**
 - 267 Appropriations
 - 124 Million accounting transactions
 - 11.2 Million invoices
- ▶ **\$700B+ in Assets**
- ▶ **600,000 Buildings at 6,700 locations in 146 Countries**
 - \$620B in Real Property Assets
 - ▶ 2.3M square feet of buildings
 - ▶ 3.2M acres
- ▶ **1,312 Major weapons systems**
 - 4.6 Million parts and supplies managed
- ▶ **150+ Federal Source Laws and Regulations (Ex. Title 5, 10, 32, 37)**
 - 4,200+ Specific requirements from source laws
- ▶ **2,274 Business Systems ... and Counting**
 - Different standards and interpretations of rules and requirements

***BMMP:
The Largest
Transformation
Effort in
Government or
Industry***



BMMP Mission, Strategy, and Goals

Mission

- ▶ Support the Warfighter with world-class business operations

Strategy

- ▶ BMMP will lead DoD's business transformation by:
 - Developing and maintaining the Business Enterprise Architecture (BEA)
 - Driving Domain Business Process Reengineering
 - Implementing capabilities-based Portfolio Management
 - Performing System Assessments
 - Utilizing the Global Information Grid Enterprise Information Environment

Goals

- More \$\$\$ for the Warfighter
- Optimize Warfighter Support
- Increased Return on Taxpayer Investment



DOD-WIDE INCREMENTS: Enterprise Focus 1 / 2 / 3

FOCUS: Re-engineer the processes and identify the information requirements necessary to implement a modern integrated net-centric Business environment that supports the Warfighters' needs

Increment 1:

- **Sub-focus: Achieve unqualified audit opinion for consolidated DoD financial statements, including related processes to achieve Asset Accountability and address other Material Weaknesses**
- Sub-focus: Achieve total personnel visibility to include: military service members, civilian employees, military retirees, and other US personnel in a theater of operations (including contractors and other federal employees)

Increment 2:

- Sub-focus: Align acquisition practices with Government & Industry best practice benchmarks
- Sub-focus: Achieve total asset visibility and accurate valuation of assets (includes Operating, Materials and Supplies; Inventory and Property; Plant and Equipment)
- Sub-focus: Enhance force management through position accountability and visibility (military and civilian)
- Sub-focus: Improve military health care delivery through a more efficient healthcare claims system, more accurate patient diagnostic coding, and joint medical material asset visibility
- Sub focus: Improve environmental safety and occupational health

Increment 3:

- Sub-focus: Implement Planning, Programming, Budgeting and Execution (PPBE) process improvements in accordance with Joint Defense Capabilities Study recommendations for a capabilities-based PPBE process
- Sub-focus: Achieve integrated total force management
- Sub-focus: Improve installation management



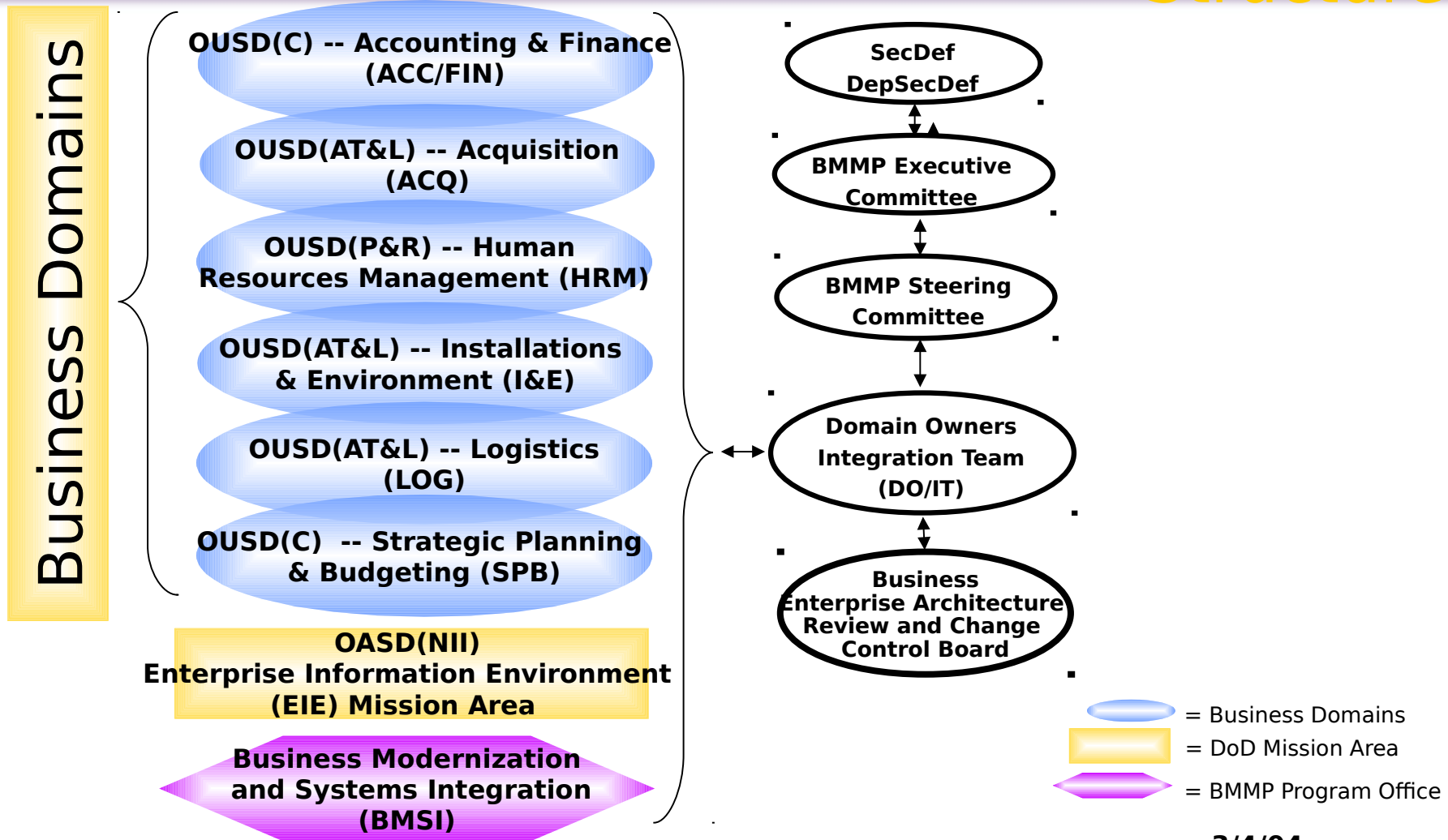
Three-Pillar Strategy

To transform DoD business management, the Department must:

- ▶ **Refine and advance the financial improvement plans of the military services and defense agencies to enable them to produce auditable financial statements resulting in clean (unqualified) audit opinions; and**
- ▶ **Audit line items on financial statements as they become ready for such as audit.**
- ▶ **Overhaul and integrate DoD business processes and systems through the Department's Business Management Modernization Program;**



BMMP Governance Structure





Why do System Compliance Certification

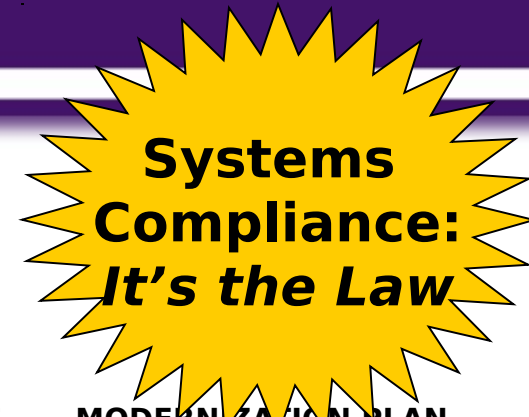
- ▶ Congress expects the Department of Defense to instill greater control over information technology investments.
- *Section 8084 of the DoD Appropriations Act of 2004 (Public Law 108-87) states:*

(b) CERTIFICATIONS AS TO COMPLIANCE WITH FINANCIAL MANAGEMENT

MODERNIZATION PLAN.

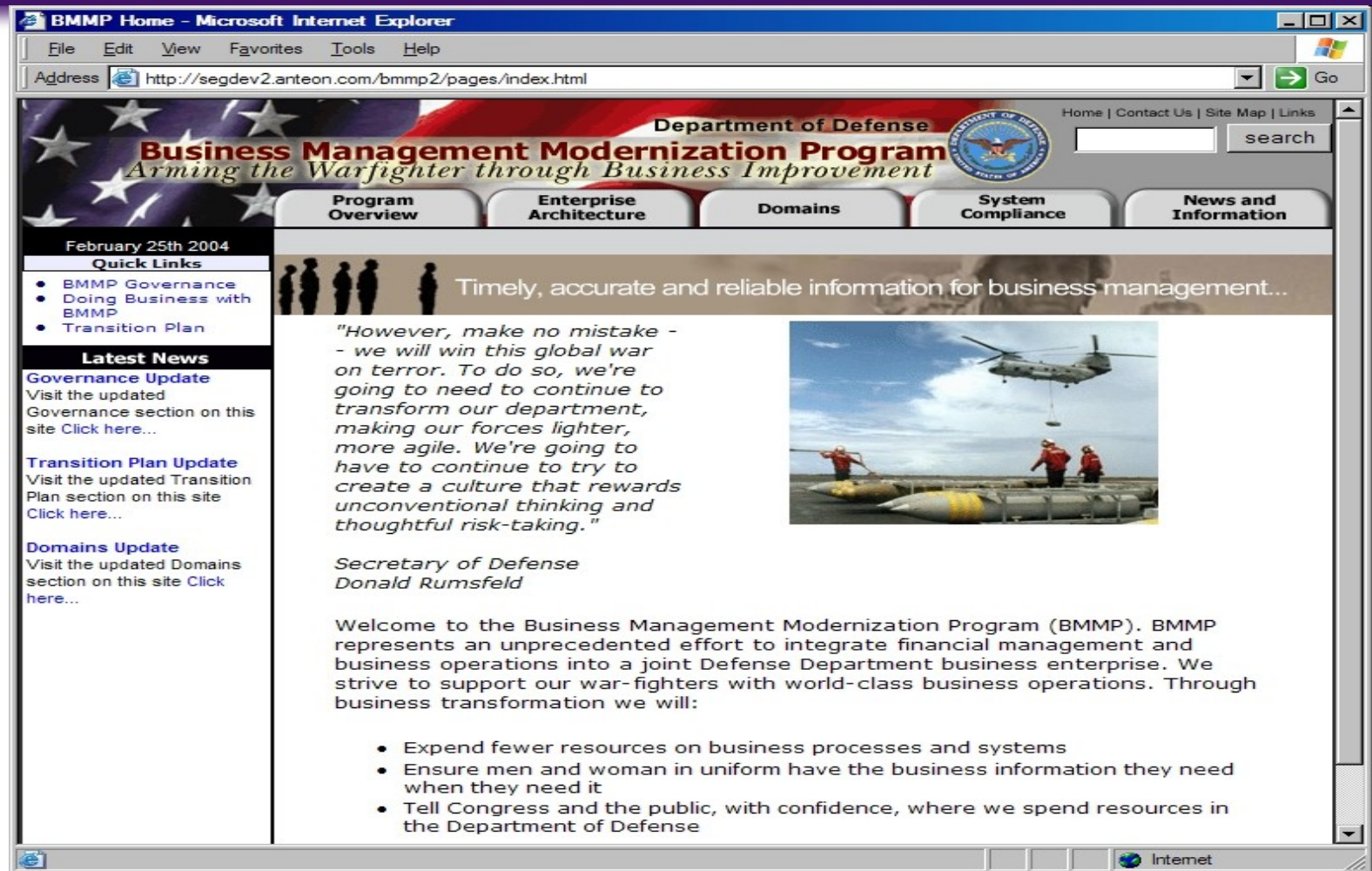
(1) During the current fiscal year, a financial management automated information system, a mixed information system supporting financial and non-financial systems, or a system improvement of more than \$1,000,000 may not receive Milestone A approval, Milestone B approval, or full rate production, or their equivalent, within the Department of Defense until the Under Secretary of Defense (Comptroller) certifies, with respect to that milestone, that the system is being developed and managed in accordance with the Department's Financial Management Modernization Plan. The Under Secretary of Defense (Comptroller) may require additional certifications, as appropriate, with respect to any such system.

- ▶ A draft Management Initiative Decision will expand the Public Law requirement for the Comptroller's approval to all business systems improvements of more than \$1,000,000.





BMMP Website:



Questions and Comments can be Sent Using the “Contact Us” Page on this V



Summary

The program has completed the following:

- ▶ **Released BEA 2.1 on schedule (26 February 2004)**
- ▶ **DEPSECDEF Memo on Portfolio management released (22 March 2004)**
- ▶ **Approved Program Baseline Framework (24 June 2004)**
- ▶ **Established Cross Domain Metrics (24 June 2004)**
- ▶ **Releasing BEA 2.2 (31 July 2004)**